

Other material weaknesses were noted in control areas that were not specifically tested. The following notations were items that came to the auditors attention.

Accounts Payable Weaknesses

- Accounts payable was only looking for a department signature to pay the invoice. Accounts payable did not perform the traditional functions of ensuring the invoice amount was correct and comparing the vendor invoice to the purchase order, and receiving report for terms, price and quantity. These traditional functions were decentralized and each department head was responsible for compiling the information. Accounts payable prepared the vouchers, attached them to the invoices, and sent the packet to Data Processing for computer input without adequate review.
- Receipt of invoices was not centrally controlled. The invoices received in accounts payable were not logged prior to being routed to the various departments for approval. Also, along with accounts payable, department heads directly accepted invoices for payment from time to time.
- A partial payment was not tracked to the completion of the project.
- Although the center is exempt, sales tax of \$179 was paid on one invoice.

Inventory Weaknesses

- No controls were established over lease to buy equipment.
- A system was not in place to track a fixed assets physical location. The Geriatric Center relied on vendors to track the location and number of rented items.

Receiving Weaknesses

- Controls over the receipt of oxygen were weak.
- Pharmacy receiving documents were not all on file.

Budgeting Weaknesses

- Inconsistent cost centers were being charged.
- Incorrect cost centers were being charged.

Cash Control Weaknesses

- Controls over the general petty cash fund were found to be weak.
- The movie ticket employee benefit program was not segregated for control purposes.